mercia Debt

INSIGHTS AND INVESTMENTS

2024 ROUNDUP

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Introduction
by Mercia Debt MD

As we look back on 2024, I am proud to reflect on another successful year for Mercia Debt. Our unwavering commitment to providing investment opportunities for UK SMEs, especially those within the North, has enabled us to support many ambitious businesses, equipping them with the funding needed to grow and succeed.

A highlight of the year came in March, when Mercia Debt was awarded the Northern Powerhouse Investment Fund - Debt mandate by British Business Bank aimed at empowering SMEs across the North. Since its inception, this fund has delivered over £6 million in investments, and we're excited to share some of the remarkable success stories in this newsletter.

This year was also about fostering connections and strengthening our community. From hosting engaging networking events to our popular tennis doubles tournament, we've been delighted to bring people together. As we look ahead to 2025, we're eager to host even more events and invite you to sign up to ensure you don't miss out.

We hope you enjoy this annual roundup, which showcases the outstanding achievements of the businesses we've supported and the growing community we're building together.

Thank you for your continued partnership and trust in Mercia Debt.

Paul Taberner - MD, Mercia Debt

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Growth investments
Propelling potential

In 2024, more than 30 forward-thinking businesses from diverse sectors across the UK reached significant milestones, collectively securing £15m to accelerate their growth. Whether expanding operations or exploring new markets, these businesses are driving their vision forward. Mercia Debt is proud to have contributed to their success with flexible funding solutions designed to support their unique goals and aspirations.

Click to visit the websites of some of our new investee portfolio:

change ACCOUNTANTS

xentra

PINHEIROS Corporation

SorePaws VETERINARY CLINIC

Lab Systems Furniture

ENGLISH MARQUEE COMPANY

talk straight™

Inteb

naturaw®

Mercia Debt passes £5m milestone with NPIF II fund

In March 2024, Mercia Debt secured British Business Bank's Northern Powerhouse Investment Fund II (NPIF II) debt mandate, offering businesses loans up to £2million to fuel growth in Yorkshire and the Humber region.

Mercia Debt has since provided a over £5.5m in business loans to companies covering a wide range of sectors, with the majority based in Yorkshire and Humber. They include Change Accountants in York, Thornton Park Farm near Sowerby Bridge which is setting up a glamping site, Ilkley-based Talk Straight, which provides broadband and cloud services to schools, Leeds cybersecurity firm Xentra, Lab Systems Furniture of Hull and Birkenhead-based energy and environmental consultancy Inteb.

See our milestone update

www.mercia.co.uk/hub/mercia-tv/

In the news

Yorkshire farm secures £100k loan to launch new glamping site

In September 2024, the Northern Powerhouse Investment Fund II (NPIF II) has completed its first deal in West Yorkshire since the launch of the £660m fund in March this year.

A family farm on the Yorkshire moors has secured £100,000 from NPIF II – Mercia Debt Finance, which is managed by Mercia and part of NPIF II, to open a glamping site.

Thornton Park Farm lies 1100ft above sea level and enjoys spectacular views over Ripponden and Sowerby Bridge. The NPIF II investment will enable the family – Richard and Nina Dunnett and their son Jack – to construct five luxury pods and diversify their income from farming activities.

The family currently has a flock of 70 sheep, herds of Highland and Gasconne cattle and seven young Suffolk punch horses, an endangered species which they have started to breed.

Thornton Park Farm was previously run by Richard's father Bob, who acquired the land in the 1960s and also ran a haulage business and agricultural contracting service from the site. Having initially worked in the haulage business, Richard went on to launch a gritting company and now operates a fleet of eight gritter lorries serving clients including Manchester United Football Club, local councils and supermarkets.

Following Bob's death in 2015, farming activities ceased for four years until Richard and Nina decided to bring the land back into use. They have now been joined by 23-year-old Jack who has recently graduated from agricultural college.

Richard Dunnett said: "I inherited Thornton Park from my parents and I want to give my son the opportunity to run it after me. It is difficult to make a good living from smaller farms now but having the right mix of activities is key. Tourism is an excellent addition to our existing income streams and, with such a beautiful location, holiday companies have told us that they expect the site to be very popular. The funding from the Northern Powerhouse Investment Fund II has enabled us to speed up the launch of the new facilities and we look forward to welcoming our first guests later this year."

Funding will remove barrier to growth for lab furniture firm

In November 2024, a Hull company which produces laboratory furniture for leading universities and research institutes has secured a £100,000 loan from NPIF II – Mercia Debt Finance, which is managed by Mercia Debt as part of the Northern Powerhouse Investment Fund II (NPIF II).

The funding will enable Lab Systems Furniture to expand its capacity by moving into new premises three times the size of its existing unit and create two new jobs. The move is part of the company's growth plans which also include investment in new machinery.

Lab Systems Furniture manufactures and installs high specification fitted furniture for pharma, biotech and medical research laboratories including Reckitt Benckiser, Indivior, GlaxoSmithKline and the Roslin Institute in Edinburgh which produced the first cloned mammal, Dolly the Sheep. It also serves clients in the education sector such as Cambridge, Loughborough and Hull Universities.

The business's origins date back to the 1890s when it was founded in Hartlepool as a manufacturer of school furniture. Since diversifying into laboratories in the 1970s, it has built up a strong reputation in the sector and after moving to Hull in 1995, it has gone from strength to strength. Lab Systems now employs 15 staff. The funding will cover the cost of moving and the fit-out of its new 12,000 sq ft premises on Hull's Sutton Fields industrial estate.

Geoff Lound, Managing Director, said: "Laboratory furniture is a specialist area. This year we have seen an upsurge in interest, driven in part by the increased number of science parks, and we have a strong pipeline of enquiries. However, the lack of workshop and warehouse space limits the work we can currently take on. The funding will enable us to move into bigger premises and remove the barriers to growth."

The £660m Northern Powerhouse Investment Fund II (NPIFII) covers the entire North of England and provides loans from £25k to £2m and equity investment up to £5m to help a range of small and medium sized businesses to start up, scale up or stay ahead.

Funding will help marquee hire firm add ‘wow factor’ to events

In December 2024, a Yorkshire company that supplies marquees for some of the UK’s most exclusive events has raised a six-figure funding package from NPIF II – Mercia Debt Finance, which is managed by Mercia Debt as part of the Northern Powerhouse Investment Fund II (NPIF II), to add a spectacular new structure to its range.

The English Marquee Company which is based in Ripon, has already taken delivery of its latest addition, which is capable of holding 350 people, and is currently installed at a high-profile private members’ club and hotel in the Cotswolds.

The 500 sq ft structure, known as the Nord, has been made to the company’s own specification and consists of glass panels with a glulam frame – an engineered wood product that is a more sustainable alternative to steel. It is one of a growing number of innovative marquees that the business offers, alongside its glass orangeries and more traditional pole tent range.

The English Marquee Company provides structures for everything from a small garden party to lavish weddings and major corporate events. Customers include Newby Hall and Grantley Hall in Yorkshire, as well as high-net worth individuals and leading event planners.

The business was founded in 2018 by brother and sister Sam and Victoria (Tor) Peters who spotted a gap in the market for marquee hire. The company now employs around 30 staff.

Tor Peters, founder and Director, said: “In recent years, particularly since the pandemic, both businesses and individuals have placed greater value on bringing people together, creating connections and crafting unforgettable experiences. Our marquees provide an exceptional centrepiece or backdrop to any event.

“We pride ourselves on our stunning range, our responsive customer service and our ability to transform even the most challenging, hard to access sites. This latest funding from Mercia and NPIF allows us to add another innovative marquee to our range in line with our aim to create the most sought-after event spaces.”

Watch why we invested

www.mercia.co.uk/hub/mercia-tv/

Seven-figure buy-out at environmental consultancy

In October 2024, Inteb, a Merseyside-based energy and sustainability consultancy whose clients include large corporates and real estate companies across the UK, has undergone a seven-figure management buyout backed by Mercia's SME Loans Fund.

The deal gives control of the business to a team led by the Managing Director, Tom Kelly, and including Commercial Director, Les Edwards, Operations Director, Natasha Edwards, and Sales and Marketing Director, Andrew Snowball. It allows the founder Colin Jones to realise his investment in the company though he will continue to provide strategic advice in the role of Non-executive Chairman.

Inteb's team of surveyors, consultants and engineers advise on ways to Improve sustainability, reduce energy costs, implement renewables and infrastructure projects, and comply with energy and environmental standards. Founded in 2004, the business now employs 33 staff at its base in Birkenhead and serves clients including AstraZeneca, American Golf, Royal London, Lloyd Webber Theatres, British Land, Bupa and the Royal Albert Hall.

Tom Kelly, Managing Director, said: "Colin has done a great job in setting up and building the business. The four of us in the management team have spent around 50 years between us working alongside him at Inteb and share his vision. We are honoured to be taking ownership of the company and look forward to continuing its success story."

Colin Jones, founder, added: "The buy-out marks a new chapter for Inteb. I am confident that the management team will continue to drive it forward with the same dedication and passion that has defined our success over the years."

Sign up to receive your next invite

Events horizon
Building business networks

NPIF II roadshows

2024's NPIFII roadshows marked the launch of new funding opportunities for the North, introducing SMEs, brokers and advisers to accessible finance designed to support growth.

These events provided a platform for founders and business owners to explore funding options tailored to their needs.

Mercia's hiking triumph

Mercia's very popular 'Friends of Mercia netwalk' took place in June 2024, a fantastic opportunity to catch up with colleagues and professional friends, whilst enjoying the great British outdoors.

With the weather gods shining down, the 15km trek took intrepid hikers to see breathtaking views of the Peak District.

YABA dinners

Members of the Mercia Debt team had the privilege of being guests at the Yorkshire Asian Business Association (YABA) Gala Dinner 2024.

To be part of an incredibly diverse audience, to be given the opportunity to listen and meet a host leading Asian founders was inspiring for us all.

share.hsforms.com/15wEDpBhuTrucajspQPUzOQ59p3z

NACFB expo

Our Debt teams had a stand at the NACFB Commercial Finance Expo event in June 2024.

Both the Mercia Debt and FDC were kept busy meeting new faces, and showcasing what our Debt funds can do for ambitious businesses in the Midlands, Yorkshire and the Humber.

A big thanks to everybody who stopped by for a chat and having a go at the Mercia putting challenge!

Mercia tennis championships

In September we held a friendly doubles tennis tournament, held at Cottingham Lawn Tennis Club.

From smashing forehands to serve and volleys, the day was a perfect match for players of all skill level to start new connections, new partnerships, and plenty of conversations.

Huge thanks to all our players for stepping up to the line and making it a grand slam event.

Summer rooftop mixer

The team were delighted to gather close connections and meet new faces during a rooftop networking soiree.

This event was just one of many opportunities hosted by Mercia Debt to provide spaces for business leaders to network and share updates on their goings on.

Any other business? Updates and achievements

Expanding the team

Connor Murphy
Investment Associate

My-Ha Hoang
Portfolio Manager

We expanded our team in 2024. Introducing Connor who supports the deal origination in the North and My-Ha who supports investee portfolio.

Nominations and awards

Following its win as ‘Funder of the Year’ at the Insider Media’s South Yorkshire Dealmaker awards, Mercia Debt has been shortlisted for Alternative Funder of the Year in November 2024 for the upcoming UK Dealmakers Awards.

Charitable causes

In 2024, the Mercia Debt dedicated time and effort to support various causes close to our hearts, including The Gambian Schools Trust, Macmillan and the Mercia Group charity, Cancer Research UK.

Investment Manager, David Wright continued his fundraising efforts in support of The Gambian Schools Trust with the simple aim of improving educational facilities in the Gambia. In February a small team of the charity's volunteers flew out to help with building renovations and every October a container full of school supplies and equipment is shipped out there.

And in September, the team got their aprons on and baked (or faked) for its Macmillan coffee morning allowing people to get together and catch up over a brew while raising funds for a good cause.

Through volunteering and fundraising the team continues to make a positive impact, contributing to organisations that provide vital services to those in need.

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